

APPENDIX C ANNUAL CRUISE MEETING NOTES

Washington Cruise MOU Annual Meeting

Pier 69

11/29/04

Attendees:

David McCraney, Port of Seattle
Tino Salud, Port of Seattle
Paul Isaki, Governor's Office
George Wright, Princess Cruises
Charlie Ball, Princess Cruises
John Hansen, Northwest Cruiseship Association
Nick Schowengerdt, Holland America Line
Dan Grausz, Holland America Line
Amy Jankowiak, WA State Department of Ecology
Ray Hellwig, WA State Department of Ecology

Tom Hudson, Puget Sound Clean Air Agency
Ann Kenny, WA State Department of Ecology
Kevin Fitzpatrick, WA State Department of Ecology
Norm Davis, WA State Department of Ecology

Via Conference Call:

Tom Dow, Carnival/Princess Cruises
Randall Fiebrant, Norwegian Cruise Lines
Peter Randall, Norwegian Cruise Lines
Richard Pruitt, Celebrity Cruise Lines

Agenda Items:

- 2004 Operations Summary
- Cost Recovery
- Compliance Documentation
- Marine Sanctuaries
- 2005 Operating Schedules
- Air Emissions Update
- Tribal Issues

Handouts (see attached PDFs):

- Budget for the MOU June 2004-2005
- Marine Sanctuary Letters-April 2004

2004 Operations Summary

The Port of Seattle posted another record year in passenger volume and cruise ship calls in 2004. Passenger volume climbed 62 percent over 2003 levels to reach 562,000. Vessel calls totaled 150, a 52 percent increase over the 99 calls in 2003. Both of the Port's cruise terminals and all three vessel berths were fully utilized on Saturdays and Sundays during the May through September Alaska cruise season. At Terminal 30 Holland America had the Oosterdam and Amsterdam homeported on Saturdays and Sundays on the south berth while Princess had the Diamond Princess and Sapphire Princess on the north berth. The Bell Street Pier Cruise Terminal had sailings every Friday this past season from Celebrity Mercury while Norwegian Cruise Line had the Norwegian Spirit and Norwegian Star every Saturday and Sunday. Tino Salud also reported that the season was a success despite the security challenges.

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Cost Recovery

Under the MOU, Ecology has incurred an estimated \$44,767 from June 2004 - June 2005 of unrecoverable costs (see attached budget handout). The cruise industry committed to creating an additional passenger fee to absorb the costs. The Port of Seattle would collect this fee from the cruise lines and then reimburse Ecology. If the budget was overestimated or underestimated, the cruise lines agreed to adjust the fees for the next cruise season. The cruise lines suggested that the budgets not be developed annually from June, rather encompass the entire cruise season from May to October. Ann Kenny from Ecology agreed to revise their budgets for 2004 and 2005 accordingly.

Compliance Documentation

Ann Kenny from Ecology reminded the group of our commitment to report back to the legislature about the implementation of the MOU during the 2004 cruise season. This report will also describe shortcomings and improvements to the agreement as well as clarify why cruise lines are not applying for continual discharge. Ann discussed the need for the cruise lines to submit a certificate of compliance certifying the type of discharge for different waste streams, including sludge, hazardous waste, garbage, black/gray water. This certification would be authorized based on results from work logs on the vessels. This certification would not need to include the data from the logs, but it would be subject to public disclosure and the data could be requested at any time. John Hansen from the Northwest Cruiseship Association agreed to distribute copies of the certificate of compliance for the Hawaii MOU for Ecology and cruise lines to use as a model. Ann set a goal of having the compliance letters signed by December 15, 2004 in order for Ecology to submit them with the report to the legislature.

Marine Sanctuaries

Amy Jankowiak, from Ecology brought up the issue of changing the MOU to incorporate zero discharge within 1 mile of marine sanctuaries. The cruise lines were unsure about this additional commitment and Tom Dow of Carnival/Princess Cruises suggested that the cruise lines meet with the marine sanctuary group to understand their concerns and associated boundaries. Ann Kenny from Ecology agreed that a work session with the marine sanctuary group should be scheduled before the next cruise season to exchange information.

2005 Operating Schedules

Additional growth in the Port's cruise business is anticipated in 2005. Celebrity Cruises will add seven sailings of the Mercury for three, four and five-day Pacific Northwest Cruises that will be in Seattle on Saturdays, Thursdays and Mondays in the fall. Norwegian Cruise Line will make Seattle the homeport for the Norwegian Dream for a dozen 10 and 11-day Alaska cruises that will be in Port on Mondays and Thursdays. That brings the total calls to at least 170 in 2005.

Air Emissions Update

David McCraney, from the Port of Seattle reported that the Terminal 30 Shorepower project is on track for completion before the start of next year's cruise season. There is a permitting meeting scheduled next week and the SEPA determination and shoreline exemption should be approved within 10 days. Air MOU negotiations are still underway and have been segregated from the water MOU.

Tribal Issues

David McCraney reported about the Port's decision to hire a Muckleshoot tribe contractor to coordinate the management of nets and vessel traffic throughout the 2005 cruise season.

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Amendments to MOU:

Amy Jankowiak, from Ecology proposed that we change the language in Section 1.1.3 (first bullet point) which states:

“The discharge of treated blackwater and treated graywater from ships equipped with AWTS.....is allowed under the following conditions:

- The ship is at least one nautical mile away from its berth in the Port of Seattle and is traveling at a speed of at least 6 knots.”

Amy suggested that we take out “in the Port of Seattle” and replace it with “at any port in the State of Washington” since Section 7 of the MOU states “this agreement only applies to voyages during which the commercial passenger vessel actually calls at a port in the State of Washington.”

Ann Kenny from Ecology stated that she would draft an addendum to the MOU with the above changes incorporated and distribute to the group for comment via email. The group agreed to meet again next year to update the MOU.

Additional Discussion:

Ecology inquired why more ships with advanced wastewater treatment systems aren't applying for continuous discharge under MOU?

Cruise Line Responses:

Holland America- Need more notice to apply, timing of the agreement for 2004 season

Princess- Time constraints, technical review for new ships

Norwegian- slow approval process, technical review for new ships, internal policy to hold regardless of treatment system

Ann Kenny, from Ecology noted that advanced notice from the cruise lines of the application for discharge would help determine their workload, speeding up the approval process and decreasing the annual MOU budget.